



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

30928

B-178393

MAY 17 1973

The Honorable Arthur F. Sampson
Acting Administrator, General Services
Administration

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Dear Mr. Sampson:

Reference is made to letter dated April 2, 1973, with enclosures, from the General Counsel, requesting a decision as to the action to be taken concerning an error alleged by the AM General Corporation to have been made in its bid upon which contract No. GS-00S-16821 was based.

The Federal Supply Service, General Services Administration, Washington, D. C. , by invitation for bids No. FPMR-MB-52533-A-10-31-72, requested bids under item 2 for furnishing 40 type III trucks, cargo, pickup, in accordance with MIL SPEC MIL-T-1217M dated August 15, 1970, and for delivery to four destinations. In response, AM General Corporation submitted a bid offering to furnish the trucks under sub-items A thru D, inclusive, of item 2 at unit prices ranging from \$3,278.88 to \$3,423.88. The only other bid on item 2 in unit prices ranging from \$4,300 to \$4,478 was submitted by the Chrysler Corporation. The bid of AM General was accepted as to items 1 and 2.

Upon examining the GVED-100 Vehicle Questionnaire submitted by AM General under the contract, it was noted that the corporation intended to furnish under item 2 a two-door pickup truck in lieu of the specified four-door pickup truck. The corporation was contacted by telephone and requested to verify the type of vehicle being furnished. AM General advised the contracting office that an error had been made in its bid on item 2 in that it was based on furnishing a type II (two-door cab) rather than a type III (four-door cab) truck. In a confirming letter, the corporation alleged that the error in its bid resulted from the failure of the invitation to fully describe the type of vehicle, that is two-door or four-door cab, on which bids were requested. The corporation stated that it intended to bid under item 2 on a type II, class B, truck, cargo pickup (two-door cab), and that it does not now build and never has built a type III, class B, truck, cargo, pickup, with a four-door cab. In support of its allegation of error, the corporation submitted its cost worksheet and part of its 1973 catalog.

[Report Concerning Alleged Bid Error]
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In the report in which he recommended that item 2 of the contract be rescinded, the contracting officer states that while he did not suspect prior to award an error in the AM General bid on item 2 because the prices offered were within the parameters of competitive fluctuation, he is now of the opinion that he should have been on notice of the probability of a mistake. In the letter in which he recommended that item 2 of the contract be canceled, the General Counsel states that the fact that there were AM General catalogs in the contracting officer's files and other information in his records indicating that the corporation does not manufacture and has never bid on a four-door cab pickup truck, coupled with the 31-percent difference between the bids, should have placed the contracting officer on notice of mistake. See B-170941, December 15, 1970.

From the foregoing, we conclude that the acceptance of the bid did not result in a valid and binding contract. In the circumstances, as administratively recommended, item 2 of contract No. GS-OOS-16821 may be canceled without liability to the corporation.

Sincerely yours,

Paul G. Dembling

For the Comptroller General
of the United States

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